PRESIDENTIAL ADDRESS

BY

S. MUTHIAH MUDALIAR

THE SHIYALI TALUK MIRASDARS'
CONFERENCE HELD AT SHIYALI

SATURDAY
15TH DECEMBER 1934

Shiyali Taluk Mirasdars' Conference, held on 15th December 1934, at Shiyali, Tanjore District.

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OF
S. MUTHIAH MUDALIAR

Dear Raja Sahib and Brother Mirasdars,

I am glad, nay, very proud, to be among you to day and guide your deliberations at this conference, which has just been opened by the Honourable Rajah Sahib of Bobbili, Chief Minister to the Government of Madras, and thank the organisers of this conference for according me this privilege. It is our good fortune that he has been able to go here to day and see and learn for himself our woes, and let us hope, the knowledge thus acquired will not be in vain, but serve him and us well in the councils of the Government.

Mirasdars' Association:

2. Adversity has its own uses, and its truth has never come home to us so well, as during the last four years. The District was never lacking in intelligence and capacity but wanting in organisation and united effort. Beginning with the heavy rains and ruinous floods of November 1930, we have had devastating floods, cyclones and droughts in addition to the general economic depression and low prices. We have suffered much and we are banded together, and there is the Cauvery Delta Mirasdars' Association in Mayavaram which

is a District Organisation, the association for the Shiyali Taluq, and there are I understand similar ones, in Mannargudi and Negapatam ; and we need many more. The District Association, of which almost every one of us assembled here is a member, has been doing useful work, and if during the last two years the Government have shown any consideration to the ryots of this province, the credit is largely due to this association, and let us hope the province as a whole will in future stand as one to secure redress of our just grievances. Our sufferings have been incessantly brought to the notice of the authorities by conferences, deputations, memorials and otherwise, and the Government in fasli 1342 (1932-33) first suspended and ultimately remitted 12½ per cent of the revenue and they have done the same thing for fasli 1343 also. We are thankful for small mercies, however inadequate, and I may assure you that His Excellency Sir George Stanley, with his generous instincts and sympathy for the agriculturists, would have afforded us greater relief, if he had been fully convinced, of the gravity of the situation, by his constitutional advisers.

Reforms:

3. This is not a political gathering; but now and for some time to come in any conference, or association of people for discussing things of common good, it is impossible to start the proceedings without a reference to the Joint Select Committee Report. It is not possible to go into raptures over it, nor is it any good getting hysterical and condemning it wholesale. I confess I am not able to comprehend the phrase 'rejecting it' and in this respect I labour under the same difficulty as that eminent country-man of ours, the Right Honourable Sir Tej Bahadur Sapru, who says "I am not prepared to endorse the views which has been expressed in some quarters that we are much better off under the existing consitution." I am inclined to think that it is an

advance on the present, though not so good as we desired or were led to expect. I am not going to discuss whether the safeguards are restraints on the powers vested in the ministers or they form the frontiers which the ministers shall not transgress, as Lord Percy would put it, and which of them are necessary and which not. I am not going to take up your time arguing whether second chambers in the provinces are necessary or whether it shall be direct or indirect elections to the Federal Legislature, or whether the safeguards in the provinces as regards the police very much curtail provincial autonomy and betray a distrust of the ministers. I am not going to speculate about them. Just as water very much takes the colour of the bottle that holds it, the constitution takes the colour of the man that works it, and it is some-what futile to carry on a discussion, leaving the personal element, for which a fairly wide margin has to be allowed, out of the picture. It is this margin or the personal equation that often makes a thing good or bad. His Excellency Lord Erskine said at the Caledonian dinner on the 30th November last that if Parliament accepts the recommendations of the Joint Select Committee Report, there will be full autonomy in the provinces and that "the reins of Government are to be handed over to Indians and they will be in charge of their own destinies." His Excellency further refers how, owing to the reactionary policy of Lord North's Government, America came to be lost to the British Empire and also how the Dominion idea of the Imperial system, which originated with Lord Durham in 1833, has welded the British possessions all over the globe into a homogeneous whole owing allegiance to the Crown, and proceeds to say "My ideal of the eventual future of the British Empire is that it shall be a series of self governing states united under a common band of allegiance to the Crown of the King Emperor." These generous sentiments about the ideal, and the spirit in which the scope of provincial autonomy has been understood by that nobleman, who is to rule

over your destinies for the next five years gives us an encouraging estimate of one side of the personal equation, and the other side depends on those who accept responsibility, and it is our duty to select and supply corresponding equivalents that balance may be maintained to the happiness and prosperity of us all.

Provincial Legislatures:

4. There are misapprehensions about the proposed constitution of the Provincial Legislative Assembly and the Legislative Council. The Lower House is to consist of 215 seats, 152 general for Hindus including 30 for the depressed classes, 29 for Muhammadans, 9 for Indian Christians, 3 for Europeans, 2 for Anglo Indians, 6 for Commerce and Industry, 6 for Labour, 1 for University and 1 for the backward areas. There is also the Upper Chamber which is to consist of 54, or 56 members, 35 for Hindus including depressed classes, 7 for Muhammadans, 3 for Indian Christians and 1 for Europeans and 8 or 10 for nomination by the Governor for unrepresented interests, and to redress inequalities. There may be low representation for some interests and communities, and weightage for others, but they are not of much importance. I hope and trust all concerned will work with mutual good-will and co-operate to improve the status of the province.

Agricultural Indebtedness:

5. The authors of the Banking Enquiry Committee Report estimate the total rural indebtedness in India to be 900 crores. To this enormous figure Madras contributes 150 crores, coming next only to Behar and Orissa which heads the list with 155 crores. During the 3 years that has elapsed since the report, the agricultural classes in this province, and especially in Tanjore District, which has suffered both from the general economic depression and low prices and series of bad seasons, the figure would have mounted up by another 20 crores or more.

But we shall assume it is 150 crores only leaving out of account even the interest that would have accumulated during the last 3 years. Interest on these loans large and small to agriculturists are most often high and some times even usurious, ranging from $7\frac{1}{2}$ percent to as much as 24 and 30 per cent not to speak of even 75 per cent in some cases which one may come across now and then. Calculating at the uniform rate of even $7\frac{1}{2}$ per cent the total interest payable by the agriculturists every year comes to $11\frac{1}{4}$ crores of rupees. Let us examine the resources of the agriculturists. The total land revenue of the province is roughly $7\frac{1}{2}$ crores of rupees, about 7 crores from ryotwari lands, half a crore being from the permanently settled Zamindaris. Under the ryotwari settlement the land revenue is fixed at half the net income and it may therefore be roughly taken that the net annual income of the ryotwari holders is 7 crores a year and this in normal years, when they are not subjected to the vicissitudes of the season. I am not unaware that in some districts dry lands paying a low assessment are giving a comparatively high income and that the taxation is not uniformly proportionate to the income. But there are cases also in which the revenue payable is more than half the actual net income. Instances like these are comparatively few and will not materially affect the results of the present investigation. There is not an equally rough and ready method of calculating the agricultural income in the Zemindari areas. In the assessment of peish-kush, the Zamindars, who are mostly farmers of rent, were allowed originally 1/11, and in Madras I understand 1/3 of the estimated revenues as collection charges and the remaining 2/3 was payable to the Government and this half crore thus represents that 2/3, and the total collections at the time of the permanent settlement would have thus been estimated at 75 lakhs, and on the half net theory the ryots income would have been another 75 lakhs. Allowing for rise in prices we may now

take it to be about a crore and a half of rupees at the most. It is well known that in many Zamindaries, lands, waste at the time of Permanent Settlement have been brought under cultivation, though no additional peishkush is payable for that extension. Even approximate figures of such extensions are difficult to procure. We will assume that the total of such areas in the various Zamindaries will be just as much as the old extent and their income may be taken to be another crore and a half. Thus the total income of the agriculturists, both ryotwari and Zamin, may be taken to be 10 crores of rupees, or only eight-nineths of the annual interest charges. Thus even assuming that the whole agricultural income of the ryots is devoted to discharge the debts, without utilising any portion of it for the current expenses as food and clothing and other necessities of life, it is not sufficient to pay even the interest, and one need not be surprised at the ever increasing volume of debt. The poor agriculturist cannot live on air; he does require something more substantial, how ever meagre it may be. He does not pay the interest, stints in the necessary outlay on agricultural operations and food, with the consequence that debt increases, and the produce becomes less and his vitality also diminishes. There is evidence which shows the existence of agricultural indebtedness even in the beginning of the nineteenth century, but it has considerably increased during the last half a century. The Banking Enquiry Committee says in 1931, "That it is incumbent on Government to devise measures to meet the situation." The Royal Commission on Agriculture also adverts to the growing menace of rural indebtedness and says, "It must be clearly recognised that the worst policy towards debt is to ignore it and do nothing." The Civil Justice Committee has also recommended legislation about rural indebtedness. Those bodies of high competence and authority have urged immediate action and what have the Government done? Has there

been any attempt to legislate as suggested by them? Have any attempt at debt conciliation been made as was done in Central Provinces, Behar and Orissa even more than twenty years ago? The answer is regrettable 'no'. Why? Excuses may be pleaded; excuses may justify failure but not inaction. Even a private member's attempt at legislation, Mr. T. A. Ramalinga Chettiar's Debt Conciliation Bill, has not been afforded proper facilities. The Government have now issued an order, deputing a special officer to enquire into the matter, and among the various terms of reference, the nineth and last "whether in case legislation is considered unnecessary, there is any other possibility of affording relief to agriculturist debtors," is the most important, though it is in the alternative. I hope the answer will be in the cumulative, suggesting legislation on right lines, and reduction of land tax without which the present indebtedness cannot be reduced.

Land Mortgage Banks:

6. Land Mortgage Bank cannot by itself effect any substantial reduction. It is available only to those who can furnish adequate security and also have incomes, which after providing for current expenses, leave a margin for discharge of the mortgage debt in the stipulated period, and I am afraid hardly one per cent of the debtors will be able to claim relief from this source. Even if the rules be relaxed so as to take in a larger proportion, there will not be sufficient funds available to satisfy them. In the long run it will only prove a substitution of creditors and not discharge of debts.

Condition of Ryots:

7. I have attempted to show that even with normal seasons and full harvest it is impossible for most of the agriculturists to make both ends meet, and pay the interest also. Let us consider the situation in years of total and partial failures, which

are rather too frequent. The cultivation expenses are about a third of the gross produce and of the remaining two thirds, one third goes to pay the revenue and the remaining one third is the ryots' margin, call it his profit, or interest on the capital investment he has made on the land, or by whatever name economists may designate it. We shall also bear in mind in this connection that 72 per cent of the pattadars in the ryotwari tracts pay less than Rs. 10, a year, 20 per cent pay between Rs. 10 and 30 a year; 5 per cent between Rs. 30 and Rs. 50; 2 per cent between Rs. 50 and 100 and only 1 per cent Rs. 100 and more or in other words the margin of profit of 99 per cent of the pattadars is less than Rs. 100 a year, a sum none too generous for keeping body and soul together for himself and members of his family. Let us take a year of 75 per cent yield; 33-1/3 per cent has been spent in advance on cultivation, 33-1/3 per cent has to be paid as revenue and the margin left is only 8-1/3 per cent or one fourth of what it is in a normal year. So 25 per cent less in yield does not mean 25 per cent but 75 per cent loss in the margin to the ryots, and 99 per cent of the agriculturists whose margin in normal years is Rs. 100 and less have that reduced by 75 per cent. Surely, none will say that they possibly can reduce their necessities also by 75 per cent and the result is more debts. Take a year of 50 per cent yield; 33-1/3 per cent goes to expenses and 16-2/3 per cent is left for payment of revenue and another 16-2/3 per cent has to be made up by borrowing. So 50 per cent yield means loss of all the margin and a debt of half the margin or a total loss of 150 per cent the normal margin. Similarly in a year of 1/3 yield not only is the whole margin lost but the whole money for the revenue has to be borrowed *i.e.*, it means a total loss of 200 per cent, and in a year of 25 per cent yield the loss is 225 per cent of the margin. To one not quite acquainted with the plight of the agricultural classes, this analysis may appear startling but it is none the less true. If the yield is less than 25 per-

cent the Government think of total or partial remissions and we are all familiar with the working of the remission rules. In the above calculations, I have omitted the cesses payable to the Local Boards which come to about 10 per cent of the land tax, and this has to come out of the margin above mentioned, in years when margins are left, and has to be added to the loss in years of loss.

8. I have so far dealt with the question, on the basis that the selling price of paddy is not below the commutation rate. Let us assume that all the cultivation expenses are incurred in kind, which is not always the case, and the remaining 66-2/3 per cent is available for sale and let us take this to be the net produce, and assume that in a particular case, at commutation price this 66-2/3 per cent is worth Rs. 100, of which Rs. 50 goes to revenue, the remaining Rs. 50 is the margin. If the price goes down by 10 per cent, the price fetched is only Rs. 90 and deducting Rs. 50 for kist, the balance of margin is Rs. 40, or only 80 per cent the normal one. If the price goes down by 20 per cent, the margin is only Rs. 30, or 40 per cent loss; if by 30 per cent the loss is 60 per cent; and if by 40 per cent the loss is 80 per cent and if by 50 per cent there is no margin at all. The combined effect of bad harvests and low prices can well be imagined and I shall not trouble you with more complicated arithmetic. During the last 3 or 4 years this district has been visited by successive bad seasons of partial failures in parts, and total failures in other parts, and this combined with the low prices of paddy which has mostly ranged between 50 and 60 per cent of the commutation price, in the ryots' selling season, has ruined a vast majority, and most of the rest are on the verge of ruin. This Shiyali Taluq and part of Mayavaram Taluq have been hit the hardest, and if, now you hold this conference, it is not to demand your legitimate rights but to raise your desperate cry for relief.

9. Let us for a moment consider the effect of rise in prices above the commutation rate. If the price rises by 10 per cent, the margin rises by 20 per cent; if by 50 per cent, the margin doubles; and if the price doubles the margin becomes thrice and so on. During the last decade there were high prices for several years. Some prudent people discharged their debts, others invested their profits in the purchase of more land, and the vast majority indulged in better clothing and food and raised their standard of living, while the few affluent people indulged in motor cars and cinemas and other pleasures, and unable now to give up the newly acquired tastes, the poor things are suffering untold miseries. In the preceding two paragraphs, I have omitted detailed reference to the settlement rules but confined myself to the broad facts and principles, lest I might make this too technical and complicated; but I may assure you that the results arrived at are fairly correct, and when occasion arises, and I hope and trust it will very soon, it will be possible to demonstrate by facts and figures their general accuracy, with perhaps a margin of 5 per cent either way.

Remedy:

10. It may not be possible for us or this Government to avert this economic depression and control prices, but it must be possible for both to investigate the causes for this ever increasing poverty and indebtedness of the agricultural classes, which we must recognise has already affected and will continue to affect in a larger measure the other classes as well, and devise remedial measures. Dire diseases demand drastic remedies and we shall not flinch at anything, if there-by we can save the province from complete ruination. The reports referred to suggest various measures for the amelioration of the sad plight of the land holders. Most of them are mere palliatives and cannot appreciably help. I am not minimising their im-

portance; I only say they are not much good in the present situation. The only recommendation, and that of the Taxation Enquiry Committee, that may give appreciable relief, is the reduction of the land tax. And I shall give a very brief sketch of the land revenue administration from the early times. I do not propose to discuss the question of state-ownership or private property or whether what is paid to Government is tax or rent, but shall confine myself to how land tax had been levied in the past in India at rates varying from one twelfth to one sixth of the income in normal times, which may be raised to a fourth in times of war or other national calamity. Are the proportions out of the gross income or the net income? In Manu. where the proportion is laid down, it is clear that it is of the net income, though some think, it is of the gross income. Without discussing that, I shall assume it to be of the gross income. This proportion fluctuated in different areas and at different times, and in the Ayinee-Akbari it was 1/6; but the amount was not fixed. Every year out of the gross produce the cultivation expenses were first separated and the balance left was divided equally between the state and the landowner; in some cases the state half was taken in kind and in some cases paid in cash at a commutation rate, being the average of the preceding 5 or 10 years. In cases of failure of crops the ryot never lost the cultivation expenses, unless the yield was even less, in which case he took the whole and had not to pay to Government anything. In years of bad harvest, only half of what was left was payable, and the Government shared his joys and sorrows as well. How different was this from the present? This sharing system continued even under the East India Company till about the end of the 18th century, when various modes of settlement were devised, and we are now concerned with the ryotwari settlement as it prevails in this province. During the early years of the last century, the idea of the then authorities was to

propose for each ryot a fair and equitable tax, which will leave him an ample margin to live in comfort and ease in normal times, and put by also some thing to fall back on during times of distress; and when by trial the correct amount had been arrived at to fix it permanently.

11. A perusal of the interesting writings of Sir Thomas Munro, and contemporary literature will show the generous spirit in which the ryotwari settlement was conceived, and the anxiety of the early administrators for the prosperity of the people. For reasons which are not quite complimentary, the idea of permanency was later on given the go-by, and periodical settlements were adopted and worked in a spirit and manner, not contemplated by the inventors, and so vigorously, that the results of the system were apparent even before 1840, when Mr. Harvey Tuckett, of the East India Cotton Company in a letter addressed to the Manchester Chamber of Commerce says "It is a lamentable truth that the ryotwar system has had the effect of deadening the energies and depressing the industry of the persons suffering under it," and further says "the Madras ryotwar system, the one which you have deprecated and which I sincerely hope, may never pauperise the flourishing Northern Provinces of India." Is there any condemnation more scathing? If it had impoverished the ryot in 1840, it has sucked the blood, even the marrow, in his bones in 1934.

12. Tested by the canons of economy and ability, is there any justification for exacting this killing rate of taxation? Is there any other country where such a high rate is levied? I do not claim to be familiar with the land systems of the world; but from what I have read and heard I can with some confidence say, **none**. In Japan it works out at about $\frac{1}{4}$ per cent on the capital value of the land, in New Zealand from 1/32 per cent to 1-1/4 per cent on the capital value, and in our sister province of

Burma it does not exceed one fourth of the net income. In 1825, Henry St. George Tucker, who later I think became a member of the Board of Directors of the East India Company, in a letter to the Rt. Hon'ble Sir George Canning, says that "the people of India are more heavily taxed than the people of England." If it was so in 1825 it is doubly so in 1934. Is it too much to ask that the recommendation of the Taxation Enquiry Committee, which was presided over by Sir Charles Todhunter who was Finance Member of the Government of Madras, be accepted and given effect to immediately?

13. It may be asked "how is the Government to carry on, if half of the chief source of revenue is to be abandoned? The budget is now balanced and how is it to be balanced if about $3\frac{1}{2}$ crores of rupees annually to be given up?" The short answer is without going into details, how was the budget balanced when the land revenue was about a crore less than now, and we had a contribution to make to the Central Government of over 3 crores? Economise, and go back to the budget of 1924. If I may suggest one item of economy, it is in connection with land revenue itself; we have the most elaborate system of revenue survey in the world. Cut down the survey and Settlement Departments. They are not needed. When I raised it in the Legislative Council during the Budget discussions in 1927, Sir Norman Marjori banks, the then revenue member, was almost inclined to agree with me and said that "As a financial proposition it is not worth our while," and said it was necessary to keep correct records. The Taxation Enquiry Committee compliments the council for testing the thing by the canon of economy and finds fault with it for overlooking the recurring nature of the revenue increments. I am afraid the committee has not properly grasped the debate; both the Council and the Honourable Revenue Member were conscious of it, and Sir Norman Marjoribanks is the

last person to make a statement without examining all aspects. Many other items may be easily suggested.

14. May it not with equal justification be also asked how is the ryot to pay this exhorbitant tax when his income has dwindled to almost nothing? I have suggested an answer to the first question and it is for the powers that be, to give one for the latter. I hope our prayers are not falling on deaf ears.

Water Rates :

15. I shall next refer to water rates, which are of different kinds, consolidated, differential and fixed-terms which confound even the inventors thereof and misunderstood by everyone who works them, to the untold woe of the ryot—each with its subspecies. I shall not attempt an explanation. If my understanding of the ancient revenue system is right, the rulers did not levy any charge for water separately. It is a new innovation under the British Administration. The theory is that it is payment for services rendered. The Government incurs an expenditure on construction of new irrigation works or improving the old ones and the interest on the capital has to be made by selling water to ryots. We shall assume the interest charged is 5 per cent. The annual interest has to be distributed on the area under cultivation *prorata* on the acreage, and each acre of new wet cultivation will have to pay the old dry assessment plus the new water rate. At a re-settlement the dry assessment alone ought to be increased, and to it ought to be added the old water rate. But this is not done. The whole dry assessment and water rate are proportionately enhanced. Supposing it is $18\frac{3}{4}$ per cent enhancement, the Government levies at the first resettlement $118\frac{3}{4}$ per cent of the dry rate plus $118\frac{3}{4}$ per cent of the water rate ie., in a year the Government makes a profit of $18\frac{3}{4}$ per cent water rate which cannot be justified on the theory of return for services rendered, and this annual profit increases

at the second resettlement and it will be found that at the end of 70 years from the completion of the works, the Government would have not only earned the interest but also the whole capital outlay. If the interest be more, the capital would be wiped out sooner and there would be no further justification for levying the water rate at all. But it not only goes on but multiplies also. From the administration report of the Irrigation Department it will be found that the Government have so far made a profit of about 27 crores on works which cost them 6½ crores. Deducting the capital, the net profit is 20 crores which conclusively demonstrates that the rates charged and methods of multiplying them cannot bear examination. The Taxation Enquiry Committee recommended that the water tax should be separated from the land assessment. This if carried out will afford some relief to the ryots, and I shall have to revert to water rate again under another topic.

Mettur Project and the Stanley Dam:

16. I have so far dealt with questions concerning the province as a whole and there are some concerning the Tanjore District in particular. All of you are familiar with the Mettur Project. The foundation was laid in 1924 by His Excellency Lord Goschen, who evinced real interest in the welfare of the agricultural classes, and within a few months of his assumption of office fixed the maximum rate of enhancement in a settlement at 18¾ per cent, and reduced the 25 percent enhancement in the resettlement that had sometime before come into force in the Tanjore District, accordingly, giving the land holders of that District a total relief of about, two and a half lakhs a year; and when proposals for giving proportionate relief to poorer lands for which the enhancement was even originally 18¾ per cent were being examined, Sir Mahomed Habibullah, to whom this District shall ever be grateful, was called away to the Government of India, and the matter dropped; and it is never too late to redress

a grievance. The Mettur works were completed and the dam was opened in 1934 by His Excellency Sir George Stanley, and the dam has been fittingly named after His Excellency and called the Stanley Dam. It is said to be the largest dam in the world and an interesting piece of Engineering work, well worth close examination, and there is no doubt it benefits the land holders of the Trichinopoly and Tanjore Districts. But the way in which the Government are attempting to take more money from the over taxed Tanjore ryots, makes them wish it had not been constructed at all. It is necessary to go into details though I shall confine myself to the minimum. The actual cost of the headworks is 480 lakhs and of the irrigation system 200 lakhs, making a total of 680 lakhs and including the interest charges up to date, will come to about 8 crores of rupees. The Government proposed to levy water rate of Rs. 15 an acre on the new upland tracts to be brought under cultivation. The rate is high: the days are bad and the possibility of extension of cultivation to the full limit of 3 lakhs of acres is remote. The Government propose to make up for fall in the anticipated returns by raising the taxation in the old delta and levying new water rates also.

17. The first proposal that has come into force this year, is raising the classification of all lands. What is the justification? We shall assume for the present discussion that the irrigation facilities in the district have improved. At the resettlement which came into force in 1923-24, all lands were classified according to the soil and irrigation sources and assessed at the various taram rates. In the settlement of 1922 there is a provision, that if owing to defects in any irrigation source, lands under it were placed under a lower class, and if the defect be removed, they may, on such removal, be placed in the higher class. What are the lands so classified? By G. O. No. 1238 dated 14th July 1933, the classification is raised for all lands in the district

except a few villages, from 3rd class source to 2nd class, and from 2nd class to 1st class, so that automatically the taram of each field is raised to the next higher taram *i. e.*, 12th class to 11th class, 11th to 10th and so on till the 2nd class becomes the first, and the tax is raised by amounts varying from 0-12-0 to 2-6-0 per acre, and this during the currency of a settlement This cannot be supported, and the attempt of the Government to find justification in some prior G. O's of 1910 and 1916 as they do in the press communique of 1934 published in 'The Hindu' of 27th of November, is to put it mildly poor.. Financial forecasts in 1924 and 1928 referred to therein cannot affect the settlement, and even the forecasts contemplate enhancements of 1 rupee for II class source lands and 8 annas for III class source lands in 1924, which grew to 1-2-0, and 11 annas in 1928, and there again in 1934 to the figures above mentioned. Avarice, like wine, improves with age, and justifies this expanding policy. The principle of assessment being half the net produce, to justify the increase, can it be said that the yields owing to the Mettur Project, have risen, over the yields estimated at the settlement? Are the Government prepared to demonstrate that 12th taram land has begun to yield 50 measures more per acre to be classified as 11th, has the 4th taram land 100 measures more than before to become 3rd taram, and 3rd taram land 150 measures more to become 2nd taram land? Do the technical advisers of Government say so, and if so, what are their bases for such assertion? We are aware that there is not any such increase. This arbitrary raising of taxation, even before the effects of the project can be perceived and demonstrated, is unsustainable. It does not stand there. I have already stated that the Government have fixed, that 18¾ per cent shall be the maximum amount of increase at a settlement. Let us take the 2nd taram land. This, prior to 1922 was paying Rs. 12 an acre, and in the settlement, it was raised to Rs, 14-6-0 or the enhancement of 18¾ per

cent has been already made. Now it is sought to make this land pay Rs. 16-10-0 an acre, even during the current settlement; that is, land which was paying Rs. 12 prior to 1922 is made to pay for the unexpired portion of the existing settlement Rs. 4-6-0 an acre more or the enhancement is 35-5/12 per cent or nearly double the prescribed maximum. Thus the proposed reclassification violates:

(1) the fundamental principles of fixity for 30 years; (2) the half net theory and (3) the limitation on enhancement. Lawyers may discuss and differ on the question whether the enhancement is legal, but nobody can say it is morally justifiable, even according to the canons Government have prescribed for themselves.

18. There is another G. O. No. 474 dated 15-3-33 which has to be referred to. By this Government propose to levy, in addition to the assessment, a water rate of Rs. 7-8-0 on wet lands, if a dufasal crop or second crop be raised; and levy at the same rate for *udu* cultivation also. Whether *udu* cultivation was to be separately assessed, was discussed at the time of the resettlements of 1892 and 1922 and decided that it should not be. What was considered to be improper even at a resettlement, is attempted to be done during an existing settlement, under the guise of water cess. The anamolies of the proposals are numerous and I shall point out only one. Even after the proposed reclassification, 11th taram wet land pays Rs. 4-2-0 for the first or single crop, and if a second crop be raised, and second crop yield is admittedly less than the first crop, Rs. 7-8-0 has to be paid for such crop; of course in addition to the first crop assessment. The justification, Mettur Project. There is yet another G. O. 1853 dated 5-9-32 by which water rates on dry lands amounting to 17-8-0 an acre in some cases are to be levied, in addition to the assessment on the land, not only for irrigation but percolation also. Mettur improves

irrigation and increases percolation also! Plantain which paid Rs. 6, must pay Rs. 17-8-0. Poor thing, it must die, at any rate in Tanjore. Some of these levies may be questioned under the Irrigation Cess Act. But that apart, what is the justification? Mettur Project again. It is no wonder the very name has grown nauseating to many. The rates have been fully discussed in the various Memoranda submitted to Government by the Cauvery Old Delta Mirasdars Association and others, pointing out the injustice and hardships.

19. The Mettur Project has cost the Government 6·80 crores, which with interest charges comes to 8 crores as above stated. I have referred to in a previous paragraph, the gain to Government on irrigation works in the Province. Out of the total profit of 27 crores, about 4½ crores is attributable to the Cauvery Delta. If an irrigation work which has already paid a profit of 4½ crores, is defective and has to be improved, the cost must be debited to the same ledger and the balance alone ought to be taken as the money spent on it. Dewan Bahadur N. Swaminatha Iyer, retired Chief Engineer of the Madras Government, has in an interesting article published in 'The Hindu' of the 10th October 1934, shown, from figures available in the Irrigation Administration Reports, that without any additional taxation, the Cauvery Irrigation system as a whole is a profitable concern, yielding a net profit of 6.70 lakhs a year charging interest at a little over 5 per-cent. Now money is cheaper and can be got for 3 per cent, and the loans can be converted, and the profits will be more. In this he has not taken into account the probable income from fisheries and fruit trees, which if properly administered may yield between 10 and 20 lakhs a year. A share of the profit from the Hydro-Electric project has also to be credited to this ledger. Thus from the financial aspect also there is no need to levy these new imposts.

20. At the time of the re-settlement in 1892 it was admitted by Government, that the irrigation and drainage works in Tanjore were very defective, the rates levied already were so excessive that there was no justification for any enhancement, unless the works were improved at a total cost of one and a half crores. In spite of this protest of the Madras Government, the Government of India insisted on raising the tax. The increased assessments were being collected from 1892 and in fairness, even then, this sum of Rs. 1½ crores ought to have been set apart for the improvement of the Cauvery Delta. This sum at 5 per cent compound interest amounts to, in 42 years, to 12 crores, and the Tanjore District, by the new works, has been paid a portion of its just dues and something more has got to be paid. All that the Government has to do is to plead partial payment and pray for discharge. On the other hand they claim and propose to enforce payment of interest on the dividend paid, a thing which the Madras Government alone is capable of.

Suspension and Cancellation of the reclassification of water rates:

21. The added land tax and the new rates have come into force in this Fasli and collection will be made from January. It is only fair and up to the Government, to suspend the operation of the above mentioned G.O's till the matter is sifted, and the G.O's cancelled, even if it may take sometime.

Maintenance of Irrigation Channels:

22. There is another topic which I should advert to, and of great importance to agriculturists *i.e.*, the proper maintenance of irrigation channels. The Government's duty to supply water does not cease if it rains and water flows down the river and in the main irrigation channels. The silt clearance of the supply channels from the main sources to the various villages have to be done by the Government.

This is done in some districts and in this district also for some channels. Government should take up the silt clearing of all irrigation and drainage channels, and relieve the ryots.

Irrigation Works.

23. The defects in the irrigation and drainage works in the delta are numerous, and the Cauvery Committee which was appointed to investigate, enumerated them and suggested improvements and remedies about ten years ago, Some have been carried out and many more have yet to be carried out. The drainage in Shiyali and Tiruturaipundi Taluqs are notoriously defective, and nothing worth mentioning has been done, and perhaps they have to wait for another decade or two, and if, even for ever, I would not be surprised.

Other Topics:

24. There are other topics as backyard cultivation assessment, penal assessment, irregular irrigation, loss of silt and manuring, communications and marketing facilities, railway and steamer freights, inter provincial regulation of imports, and the like of absorbing interest to the ryots. But I shall not take up any more of your time discussing them, though every one of them deserves sympathetic treatment. The budget is already full and let these lie over.

Sugar Mill:

25. I wish to submit another subject for your consideration. We of the Tanjore District, and especially of this part, confine ourselves to paddy, while our brothern in the other districts have taken to more profitable crops. Is it not time that we also make some slight digression? The import duty on foreign sugar has been enhanced, and though Indian product is also subject to some excise duty, sugar manufacture is now a profitable concern. With 3000 or 4000 acres of sugarcane cultivation, a mill can be profitably worked. The initial cost may be bet-

ween 3 and 4 lakhs. A joint stock company may be formed on ten rupee share basis. Think it over and see if we can give the scheme a practical shape, before the next cultivation season.

Foreign Rice and Marketing.

26. It is needless to state how Tanjore lost its chief market for surplus rice, Ceylon, by the embargo on export of rice during the war. To add to this, the import of foreign rice from Burma, Siam, Indo China and Japan has considerably increased, and the agriculturists of the province need protection, if they are at all to get a fair price for their paddy and rice. Burma alone sends to us about a million tons of rice a year, and the imports from the other places go on rapidly increasing, the figures for the present year from Siam alone being thrice of what it was for the corresponding period last year. Unless a substantial import duty is levied, and it was said the India Government was proposing it some months ago, the cheap rice from those places selling at about half of even the present reduced prices, will rapidly displace the indigenous product, causing considerable loss to the ryots, and eventually to the Madras Government, who have to get their revenue from them. The abolition of export duty on rice also may help the situation. Fresh markets have also to be found. It is true the Government cannot create markets, but can help the people to find some by diffusing useful information.

Inams:

27. On this occasion I cannot but make a brief reference of the Estates Land Act Amendments about the Inams, even though what could be said for and against it, has been said times over in the press, on platforms, and the Legislative Council. When the amendments giving occupancy rights to Inam tenants, were first accepted by the Legislative Council, it was said that the Inamdars had not sufficient opportunity

to voice their feelings and do the needful, and His Excellency Sir George Stanley, very properly declined to sanction the amendments. A fresh bill embodying these provisions was again introduced, has been passed into law by the Legislative Council, and is awaiting the sanction of the Governor. There have been interviews and deputations and it is an important matter which requires investigation and careful consideration. Large number of public institutions as temples and mosques and local bodies and a large number of private Inamdars, all over the province will be adversely affected. If the betterment of the conditions of the Inam tenants require, that they should get occupancy right whereever they have not got it already, justice requires that compensation should be paid to the affected persons. I understand that several Inamdars, apprehending such legislation, have been clever enough to give occupancy right to their tenants, taking a fee. Those that have not been so clever should not be penalised. We may be sure that His Excellency Lord Erskine will fully examine the question before according his assent.

Tax Reduction this Year:

28. I have discussed some vital questions affecting ryotwari holders all over the province and some peculiar to this district. There is one more urgent than all this—reduction of land tax for the current year. I have already said how the conditions prevailing for the last 3 or 4 years have broken the bones of the agriculturists. The prices have not appreciably risen, though for about a week there was sudden rise. Siam rice came again and prices fell to the bottom. Rain has been generally deficient all over the province and crops have suffered. People are governed not by laws and regulations alone but by love and justice also. We stand in need of immediate relief, and beseech His Excellency Lord Erskine to come to our aid, and remit at least 25 percent of the

land tax for the current fasli, which token of generous statesmanship, will be richly deserved, and warmly appreciated by every one in this province.

29. I have already taken up too much of your time and let me conclude. We are on the eve of great changes. Dyarchy is to end and full responsible Government is to come in, and as His Excellency Lord Erskine has said, we will be in charge of our own destinies, and may redress all our grievances. The working of the new constitution may be beset with difficulties, and the new experiment may not be a hundred per cent success. But we shall not despair. The genius of the Indian nation, which has assimilated all the civilisations of the world, ancient and modern, can rise up to the occasion, and may we pray God that He may stand by us, give us strength, and carry us through.

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